



Michigan *Office of the Auditor General* REPORT SUMMARY

Performance Audit Real Estate Support Area Highway Bureau of Development Michigan Department of Transportation

Report Number:
59-172-02

Released:
August 2003

The Michigan Department of Transportation's (MDOT's) mission is to provide the highest quality transportation for economic benefit and improved quality of life. The Real Estate Support Area is one of two areas within the Highway Bureau of Development. It provides real estate services and right-of-way management, along with a variety of permit services, for all areas of MDOT, including 7 regional offices and 26 transportation service centers.

Audit Objective:

To assess the effectiveness and efficiency of MDOT's real estate acquisition and asset management activities and permit processes.

Audit Conclusion:

We concluded that MDOT's real estate acquisition and asset management activities and permit processes were generally effective and efficient. However, we noted reportable conditions related to retention of excess property and property acquisition information.

Reportable Conditions:

MDOT needs to develop procedures requiring operating units to periodically justify to MDOT central office management the need to continue retaining excess property (Finding 1).

MDOT staff did not enter complete and accurate information into the Real Estate Management Information System (Finding 2).

Audit Objective:

To assess MDOT's compliance with applicable statutes, the *Michigan Administrative Code*, the Department of Management and Budget (DMB) Administrative Guide, federal regulations, and MDOT policies and procedures related to real estate activities and permit processes.

Audit Conclusion:

We concluded that MDOT generally complied with applicable statutes, the *Michigan Administrative Code*, the DMB Administrative Guide, federal regulations, and MDOT policies and procedures related to real estate activities and permit processes. However, we noted reportable conditions related to accountability for permit fees, the Construction Permit System, and billboard permit renewals.

Reportable Conditions:

MDOT needs to improve the accountability for its permit fees and comply with DMB and MDOT cash handling procedures (Finding 3).

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MDOT staff did not enter all applicable information into the Construction Permit System (Finding 4).

MDOT needs to ensure that billboard permit renewals and revocations are processed in accordance with State statute and MDOT procedures (Finding 5).

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Agency Response:

The agency preliminary response indicated that MDOT concurs with all 5 recommendations and was initiating corrective action for them.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.state.mi.us/audgen/



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